

Benton Savage
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Nightmare on Second Avenue

Many businesses on the Upper East Side may never reap the benefits of the Second Avenue Subway due to the inconvenience of the ongoing construction work.

Between 91st and 95th Street eight merchants have gone out of business since the construction began in April 2007. "The asking price of rents has dropped by 25 percent in the neighborhood, while the offers trickle in at close to a 50 percent discount. My owner won't accept this price," said Roberta Panos, a real estate broker working in the area. On the next five blocks between 86th and 90th Street there is only one store closed.

The Second Avenue Subway will run from 125th Street to the Financial District in Lower Manhattan. Phase I of the construction runs from 63rd Street to 96th Street. The completion of the project has already been pushed back a year until 2015. It is projected to carry over 200,000 weekday passengers. It is being built to relieve the overcrowding and delays on the Lexington lines. Businesses owners in the area understand the need, but feel blindsided by the construction.

"Businesses that were started four years ago had no idea that subway construction would be taking place," said Joe Pecora, owner of 'Delizia Pizza.'

Owners who opened up their businesses in the last four years such as Eddie Crowe of 'Crowe's Nest' and Barbara D'Antonio of 'Wine Lovers' admit that they have would not have started their business in the neighborhood if they knew of the construction. Losing close to 40% of her sales, D'Antonio felt her only viable option was to close shop at the end of September. Crowe continues to stay open and offers other entertainment such as free Texas Hold'em tournaments on Sunday and Wednesday evenings to generate extra business.

"Every little thing helps," said Crowe.

Due to a maze of chain linked fence that lines the sidewalk, garbage piles up on the corners and many times is almost right in front of an entrance. The construction is supposed to remain until the completion of Phase I of the project in 2014. "It's not just the unsightly construction area," according to D'Antonio. "It's the decline in foot traffic, increase in noise and dust, delivery problems due to the narrowing of the road, and temporary loss of phone, electricity, and water."

Pecora has a \$20,000 lawsuit pending against the City, Con Edison, and Verizon due to business lost from four separate unannounced power outages, the longest being nine hours. Food spoiled and revenue was lost during these times. Con Edison only reimburses merchants for loss of business if the power is out for more than ten hours.

The sidewalk has been narrowed from 22 feet to 7 feet. “I paid \$2,700 for outdoor seating, and it took me six months to regain the money after I could no longer do it,” said Crowe.

Though the MTA has an outreach program to help accommodate shopowner’s needs, merchants in the neighborhood have formed The Second Avenue Business Association to raise awareness of the effects of the construction in the neighborhood. Getting the government involved is the primary goal.

Three bills were presented to the State Assembly. Assemblyman Bing sponsored the Grant Relief Bill that would provide assistance to companies that could prove significant decrease in revenues. The bill stated that the State government would match the qualified merchants 50-50 on utilities, payroll, rental assistance, and capital improvements.

“Only about seven or eight owners would qualify,” said Crowe. “Probably about \$150,000 total, not much compared to the billions of dollars estimated to be the cost of the project.” The actual number is \$4 billion and climbing.

Several members of SABA went up to Albany to meet with fourteen state senators. Lobbyists rarely even get that much attention from the state senate. The bill passed the State Assembly, and State Senate before being vetoed by Governor Patterson. “That kind of took the air out of us,” said Crowe.

“It just seems that the big people don’t care about the little people,” said Pecora.

A problem with the Grant Relief Bill was the propensity for attempted fraud. In small businesses especially in bars and restaurants it can be difficult to determine if revenues have dropped forty percent. Some small business owners keep better records than others, and some barely keep records at all. Even Crowe admits that it is difficult to determine how much the construction has affected his business since he was only open for three months before it started. His estimate is “at least 30% maybe even 40% if the revenue grew at the rate I expected.”

“I thought the Grant Relief Fund was a very good bill, and I was proud that it passed both Houses,” said Bing.

A Tax Abatement Bill sponsored by 65th District Assemblyman Micah Kellner and cosponsored by Bing has passed the State Assembly and is waiting for a decision from the State Senate. The bill offers a property tax abatement to landlords who sign or renegotiate their lease with current or projected small business owners.

The owners aren’t expecting much. Though all owners interviewed felt that their local Assemblymen had done a good job, most conceded that there was only so much local government can do when the Governor can veto the legislation.

With both the city and state in debt and growing larger everyday, upper officials are looking for cuts wherever possible and certainly aren't looking for more expenditures.

Much of the available money is being utilized to rebuild Lower Manhattan. Thirty-seven million dollars has been designated to beautify the construction torn neighborhoods in Lower Manhattan. Much of the money will be used to enable scaffolding and fencing to be canvases to display modern art.

Many shop owners question whether or not the government truly cares, or if they are just saying all of the right things. "They have money," said Marcelo Ronchini, owner of Nina's Argentinian Restaurant. "Not too long ago the State gave \$250,000 to celebrate the 250th anniversary of the French Indian War. I mean who are these people? The more you work with the government the crazier the process seems."

SABA has concentrated its efforts in new directions by appealing to their customers. Loss of metered parking on the side of the street has hampered business as well. Through an agreement with a GGMC parking garage in the neighborhood, a special rate of \$6.00 for three hours is given to customers. This will hopefully attract the customers from out the neighborhood, who have shunned businesses due to the parking problem.

SABA has also sponsored two street fairs, the last one being November 1st. Members of SABA catered the event along with several activities for the kids such as a day after Halloween costume contest.

While construction continues in between 91st and 95th Street, it has just begun between 69th and 72nd Street. Many businesses won't have the problem of a possible loss of revenue, 'Drink' liquor store is having to change locations due to a subway entrance being built at 69th Street and 2nd Avenue. "They haven't told us when or how much we'll be compensated, but we'll have to move," said Justin Loeb, owner of 'Drink.'

With construction only started three weeks ago in this neighborhood, employees as well as owners are feeling the pinch of the inconvenience. "My tips have gone down \$50 dollars from \$150 to \$100," said Vidska Then, a waitress at 'Cinema Café,' a bar and restaurant on 70th Street "It has been especially bad during the week. I guess people have more time to deal with the construction on the weekends."

Moving forward both Bing and Kellner plan to resubmit their bills and are hopeful that they will pass. "Our goal is to raise the profile of businesses affected by the construction and put pressure on the Governor and the Mayor," said Kellner.

"There are people who aren't living and breathing the situation like we are. Some people need to be made more aware," said Bing.

